

# **FISCAL NOTE**

## **SB 1161 - HB 1675**

March 5, 2003

**SUMMARY OF BILL:** Enacts the *Tennessee Processing Cooperative Law*. This law sets out provisions for the formation, organization and operation of cooperatives to market, process, or otherwise change the form or marketability of crops, livestock and other agricultural products, including manufacturing and further processing of those products and other purposes that are necessary to facilitate the production or marketing of agricultural products by patron members and other purposes that are related to the business of the cooperative; to provide supplies and services to its members; and for purposes that cooperatives are authorized by law.

The Act requires certain documents, including the charter, to be delivered to the Secretary of State accompanied by the required fee and filed. The Secretary of State is authorized to promulgate rules and regulations necessary to implement the provisions of the Act.

### **ESTIMATED FISCAL IMPACT:**

#### **Increase State Revenues - Not Significant**

Assumes that the Act will not result in a net increase in business filings with the Secretary of State. Therefore, it is estimated that any increase in fees due to an increase in filings will be not significant. Currently, there are 156 active cooperatives on file with the Secretary of State.

For information purposes: The Act requires cooperative filings similar to business documents currently filed with the Secretary of State by other types of business entities. The 1923 Cooperative Marketing Law already provides for the formation, organization and operation of certain types of cooperatives, and the filing of cooperative documents with the Secretary of State.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

## **SB 1161 - HB 1675**

A handwritten signature in black ink, reading "James A. Davenport". The signature is fluid and cursive, with the first name "James" being the most prominent.

James A. Davenport, Executive Director